



**HOUSING AUTHORITY
of the County of Los Angeles**

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Commissioners

Carlos Jackson
Executive Director

May 10, 2005

Honorable Board of Commissioners
Housing Authority of the
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE CONTRACT FOR THE PURCHASE AND INSTALLATION
OF EXTERIOR DOORS AT THE QUARTZ HILL
PUBLIC HOUSING DEVELOPMENT (5)
(3 Vote)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the Contract for the Purchase and Installation of 80 Exterior Doors (Contract) for 40 Units at the Quartz Hill I and II (Quartz Hill) housing development, located at 5028 West Avenue L-12, and 42051 51st Street West, Quartz Hill, is exempt from the California Environmental Quality Act (CEQA), as described herein, because the contract will not have the potential for causing a significant effect on the environment.
2. Approve and authorize the Executive Director to execute the Contract, and all related documents, with AZ Home, Inc., in the amount of \$70,400 for the purchase and installation of 80 exterior doors for the Quartz Hill housing development.
3. Authorize the Executive Director to use a total of \$4,505 in Capital Fund Program (CFP) funds from the U. S. Department of Housing and Urban Development (HUD), and \$65,895 in previously approved Community Development Block Grant (CDBG) funds, for the purposes described herein, and to incorporate the CDBG funds into the Housing Authority's approved Fiscal Year 2004-2005 budget.

4. Authorize the Executive Director to approve Contract amendments not exceeding \$7,040 in CFP funds for unforeseen installation costs.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to execute a contract for the purchase and installation of 80 exterior doors for the three- and four-bedroom family units located at the Quartz Hill housing development.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Housing Authority will fund the improvements with \$65,895 in CDBG funds to be incorporated into the Housing Authority's approved Fiscal Year 2004-2005 budget and \$4,505 in CFP funds included in the approved budget. The per-unit cost for the purchase and installation of the 80 doors is \$880.00, including tax, for a total of \$70,400. A ten-percent contingency, in the amount of \$7,040, is also being set aside for unforeseen costs, using CFP funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On May 27, 2003, your Board approved CDBG funding for site and building improvements at the Housing Authority's public housing developments, including the subject property.

The Quartz Hill housing development consists of 40 three- and four-bedroom units for low-income families. The existing front and rear entry unit doors are over 20 years old and severely worn and damaged, with dents, patched holes, and bent frames.

The Housing Authority wishes to award the Contract to AZ Home, Inc. for the purchase and installation of 80 six-panel metal exterior entry doors to replace all of the existing unit doors at the housing development. AZ Home, Inc. will remove and properly dispose of the existing front and back doors, install the new doors and door frames, and complete other related work. It is anticipated that the entire project will be completed within 30 calendar days following the Notice to Proceed.

The proposed services are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) or the General Relief Opportunity for Work (GROW) Programs implemented by the County of Los Angeles. Instead, AZ Home, Inc. must comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Contract has been approved as to form by County Counsel and executed by AZ Home, Inc. On April 27, 2005, the Housing Commission recommended approval of the Contract.

ENVIRONMENTAL DOCUMENTATION:

Pursuant to 24 Code of Federal Regulations, Part 58, Section 58.35(a)(3)(ii) and 58.35(b)(3), this action is excluded from the National Environmental Policy Act (NEPA) because it involves activities that will not alter existing environmental conditions. The action is not subject to the provisions of CEQA, pursuant to State CEQA Guidelines 15060(c)(3), 15301, and 15378 because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS:

On February 14, 2005, the Housing Authority initiated an outreach to identify a contractor to provide and install exterior doors for the subject property. Notices of the availability of the Invitation for Bids (IFB) were mailed to 756 firms identified from the Housing Authority's contractor list. Advertisements also appeared in eight newspapers and on the County's WebVen website. Six bid packages were requested and distributed.

On March 15, 2005, two bids were received and formally opened. The lowest bid, submitted by AZ Home, Inc., was determined to be fully responsive and is being recommended for the Contract award

The Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT PROGRAMS:

The purchase and installation of the exterior entry doors will upgrade and preserve the housing development, and provide residents with safe and properly functioning doors.

Respectfully submitted,

CARLOS JACKSON
Executive Director

Attachments: 2

ATTACHMENT A

PURCHASE AND INSTALLATION OF EXTERIOR DOORS FOR THE QUARTZ HILL HOUSING DEVELOPMENT

Summary of Outreach Activities

On February 14, 2005, the following outreach was initiated to identify a contractor who could supply and install 80 exterior entry doors for the Quartz Hill housing development.

A. Newspaper Advertising

Announcements appeared in the following eight newspapers:

Agua Dulce News	Long Beach Press Telegram
Eastern Group Publications	Los Angeles Sentinel
International Daily News	Los Angeles Times
La Opinion	WAVE Community Newspapers

The announcement was also posted on the County's WebVen website.

B. Distribution of Bid Packets

The Housing Authority's contractor list was used to mail notices of the Invitation for Bids (IFB) to 756 contractors, of which 358 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, six bid packets were requested and distributed.

C. Pre-Bid Conference and Site Walk

On February 24, 2005, six contractors attended the pre-bid conference and site walk.

D. Bid Results

On March 15, 2005, a total of two bids were received and publicly opened. The results were as follows:

<u>Contractor</u>	<u>Bid Amount Per Door</u>
AZ Home, Inc.	\$ 880.00
C.A.S. General Contractor *	\$ 1,380.00

* Minority-owned firm.

E. Minority/Female Participation – Firm Selected

<u>Firm Name</u>	<u>Ownership</u>	<u>Employees</u>
AZ Home, Inc.	Non-Minority	5 Total 0 Minorities 1 Woman 0% Minorities 20% Women

F. Minority/Female Participation – Firm Not Selected

C.A.S. General Contractor	Minority	7 Total 6 Minorities 1 Woman 86% Minorities 14% Women
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The Housing Authority encourages the participation of minorities and women in the contract award process, including: providing information about the Housing Authority at local and national conferences; conducting seminars for minorities and women regarding the Housing Authority's programs and services; advertising in newspapers to invite placement on the vendor list, and mailing information to associations which represent minorities and women. The above information has been voluntarily provided by the firms.

The recommendation to award the Contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

HOUSING AUTHORITY
OF THE COUNTY OF LOS ANGELES

CONTRACT FOR THE PURCHASE AND INSTALLATION OF 80 EXTERIOR DOORS

This Contract is made this ____ day of May, 2005 by and between the Housing Authority of the County of Los Angeles, a body corporate and politic, hereinafter referred to as the "Housing Authority" or " Owner" and AZ Home, Inc., hereinafter referred to as the "Contractor".

WITNESSETH, that the Owner and the Contractor, for the consideration stated herein, mutually agree as follows:

- A. The Housing Authority is the Owner of certain real properties, commonly known as the Quartz Hill I & II housing development located at 5028 West Avenue L-12 and 42051 51st Street West, Quartz Hill, CA 93536, hereinafter referred to as the "Properties".
- B. The term "Work" includes performance, as set forth in the Contract Documents by the Contractor, for all improvement work on, in and about the Properties.
- C. Owner desires the Contractor to perform the Work on the terms and conditions hereinafter set forth, and Contractor agrees to perform said Work on terms and conditions set forth below.

ARTICLE 1
THE CONTRACT

1.1 The Contract means and includes all of the "Contract Documents". The Contract Documents which form the Contract are incorporated herein by this reference and are made a part of this Construction Contract as if fully set forth herein. The Contract Documents consist of the following component parts:

APPENDIX A	Instructions to Contractor
APPENDIX B	Statement of Work for the Installation of Entry Doors
APPENDIX C	Bid Sheet
APPENDIX D	Federal Labor Standards and Provisions including Wage Determination No. CA 20030028 dated 2/11/05
APPENDIX E	Section 3 Provisions
APPENDIX F	Required Forms
APPENDIX G	Required Notices

ALL ADDENDA TO THE ABOVE CONTRACT DOCUMENTS

ARTICLE 2
STATEMENT OF WORK

- 2.1 Contractor agrees to perform in a professional manner, to the satisfaction of the Housing Authority's Executive Director, all Work described in the Contract Documents referenced in Article 1.
- 2.2 The Contractor shall furnish all labor, material, equipment and services and perform and complete all Work required for the project identified as Bid No. SS05-002 for the Housing Authority.

All such Work shall be in strict accordance with the Invitation for Bids, which includes the Statement of Work and General Conditions.

- 2.3 Data provided in the Statement of Work, General Conditions are believed to actually depict the conditions to be encountered by the Contractor, but Owner does not guarantee such data as being all-inclusive or complete in any respect. Nothing contained herein shall relieve Contractor from making any and all investigations through non-destructive observations of the Properties which are reasonably necessary to apprise him/herself of the condition of the Properties. Contractor hereby accepts the project in an "as is" condition and herein warrants that all such investigations have been performed by him/her, and hereby expressly waives any and all rights under this Construction Contract, or in law, to additional compensation and/or time adjustments for alleged unknown subsurface and/or latent conditions that could be reasonably discovered or inferred based upon standard industry construction practices and techniques.

ARTICLE 3
TIME OF COMMENCEMENT AND COMPLETION

- 3.1 The Work to be performed under this Contract shall be commenced within ten (10) days after a Notice to Proceed is received by the Contractor, or on the date specified in the Notice, whichever is later, and shall be completed within thirty (30) calendar days following the required commencement date, but in all cases prior to June 30, 2005.
- 3.2 The Contractor and the Owner agree that, since the determination of actual damages for any delay in completion would be extremely difficult or impracticable to determine in the event of breach of contract, the Contractor and his/her sureties shall be liable for, and shall pay to the Owner the sum of Four Hundred Dollars (\$400.00) as liquidated damages for each calendar day of delay, until the Work is accepted by the Owner. The Contractor shall not be charged with liquidated damages because of any delay in the completion of the Work due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor.

The Owner may withhold, or cause to be withheld, from any monies payable on account of Work performed by the Contractor or subcontractor any accrued liquidated damages, amounts necessary to cover stop notices or alleged labor underpayments.

ARTICLE 4 **CONTRACT SUM**

- 4.1 The Owner shall pay the Contractor for the performance of the Construction subject to additions and deductions by Change Order(s) as provided in the Contract Documents, with a not-to-exceed, maximum compensation, of Seventy Thousand Four Hundred Dollars No Cents (\$70,400). The Contractor represents and warrants that he/she shall pay his/her employees, and all individuals performing Work, not less than the prescribed minimum wages in accordance with the current Prevailing Wage Determination published by the Department of Industrial Relations, Division of Labor Statistics, of the State of California, as such wage rates are amended from time to time from commencement of this Contract through completion of the Work.
- 4.2 The Contract Sum set forth herein includes the payment by Contractor of all sales and use taxes required by any local codes, or any law existing or which may hereafter be adopted by federal, state or governmental authority, taxing the materials, services required or labor furnished, and of any other tax levied by reason of the Work to be performed hereunder.
- 4.3 The Contract Sum is not subject to escalation, the Contractor having satisfied him/herself with said Contract Price, which includes all labor and material increases anticipated throughout the duration of this Contract.
- 4.4 The Owner's obligation is payable only and solely from funds appropriated from the Department of Housing and Urban Development (HUD) for the purpose of this Contract. All funds are appropriated every fiscal year beginning July 1.
- 4.5 This construction project is funded with Federal funds. Federal Labor Standards Provisions (HUD 4010), including prevailing wage requirements of the Davis-Bacon and Related Acts (DBRA) will be enforced. Federal Wage Decision CA-200300028 Modification 2/11/2005 is applicable to this project. These rates are the minimum rates that must be paid to ALL employees performing work in those classifications at the project site(s).

ARTICLE 5
PROGRESS PAYMENTS

- 5.1 Based upon applications for payment submitted by the Contractor to the Owner, and after approval by the Construction Management Division and the Project Manager, the Owner shall make progress payments on account of the Contract Sum to the Contractor, as provided herein.
- 5.2 One approved application for progress payment for 50% of the installations will be paid within 30 days. Payment shall be subject to all provisions of the General Conditions, Statement of Work, and Appendix C Bid Sheet, incorporated by reference into the Contract.
- 5.3 The Contractor and each Subcontractor shall submit all required Labor Compliance forms to the Commission before the start of construction. The Contractor shall submit to the Commission all of its payrolls for each pay period within seven (7) days after the pay period has ended. The Contractor shall also collect, review and submit to the Commission all of its subcontractors' payrolls for each pay period within seven (7) days after the pay period has ended. Contractor's failure to submit its payrolls or any subcontractor payrolls within seven (7) days after the pay period has ended, is a violation of this Contract and entitles the Commission to withhold up to ten percent (10%) from any pending progress payment until all such payrolls are received. Repeated, ongoing or flagrant failures by the Contractor to submit the required forms, its payrolls or the payrolls of its subcontractors in a timely manner and in accordance with this provision constitutes a material breach of this Contract which may result in the Commission terminating the Contract for default.

ARTICLE 6
PROJECT CLOSEOUT

- 6.1 Upon completion construction services, the Contractor shall submit certification to the Owner that all said work is completed a Notice of Completion shall be issued only when the Work, including all phases thereof, is finally completed, and all requirements of this Contract have been satisfied. The Owner shall cause the Notice of Completion to be recorded with the County Recorder.
- 6.2 Upon Issuance of a Notice of Completion, final payment shall be made to the Contractor of the entire unpaid balance of the Contract Sum, including any sums due to the Contractor for changes in the Work approved by the Owner, less any amounts which Owner is entitled to receive from the Contractor under the terms of this Contract or amounts necessary to cover stop notices or alleged labor underpayments, and less the ten percent (10%) retention withheld.

- 6.3 In addition to all other requirements, a Notice of Completion shall be issued only when Owner has received the following:
- A. A Certificate of Completion, executed by Owner.
 - B. All guarantees and warranties for the project. Contractor guarantees that the equipment, materials, and workmanship, not otherwise covered by a guarantee or warranty, will be free from defects in materials and workmanship for a period of one (1) year following date of final acceptance of the project.
 - C. The waiver and release of all liens, claims of liens, or stop notice rights of the Contractor and all subcontractors, and the Contractor's Certificate and Release.
 - D. Verification from the Inspector that Contractor has removed all waste materials, rubbish, tools, construction equipment, machinery, and surplus materials from the project site. If the Contractor has failed to remove any of such items, the Owner may remove such items, and the Contractor shall pay the Owner for all costs incurred in connection with such removal.
- 6.4 After recordation of the Notice of Completion, and expiration of the thirty-day period for filing of stop notices, the Owner shall use reasonable efforts to settle all claims and disputes, notify the Contractor of final acceptance of the project, and make final payment of the entire unpaid balance of the Contract Sum, including the ten percent (10%) retention, less any amounts which the Owner is entitled to receive from the Contractor under the terms of this Contract, including liquidated damages, and less amounts necessary to cover stop notices or alleged labor underpayments.

ARTICLE 7

BREACH AND TERMINATION

- 7.1 Waiver by the Owner of any breach of this Contract shall not constitute a waiver of any other breach or of any future breach. No payment made hereunder shall be construed to be an acceptance of defective Work or improper materials.
- 7.2 The Owner may terminate this Contract or performance under this Contract, if the Contractor is adjudged bankrupt, a receiver is appointed because of the Contractor's insolvency, or the Contractor makes a general assignment for the benefit of its creditors, fails to make prompt payment to subcontractor(s), or for material or labor, persistently disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, fails to construct the project in accordance with the Drawings and Specifications, or otherwise substantially violates any provision of the Contract Documents.

- 7.3 The Owner shall give the Contractor and his/her surety written notice prior to terminating this Contract or performance under this Contract, provided that the Contractor shall, upon receipt of such notice, immediately stop the work encompassing any part of the project. Upon termination, the Owner may take possession of the project and all materials, equipment, tools, and construction equipment and machinery owned by the Contractor and located at the project site, and may finish the project by whatever method it may deem expedient. In such case, the Contractor shall not be entitled to receive any further payment under this Contract.
- 7.4 The Owner shall not be deemed to have waived any of its other rights or remedies against the Contractor by exercising its right of termination under this Article.
- 7.5 Termination for Cause: This Contract may be terminated by the Housing Authority upon written notice to the Contractor for cause (failure to perform satisfactorily any of the Contract terms, conditions, and Work items) with no penalties upon termination or upon the occurrence of any of the following events:
- A. Continuing failure of the Contractor to perform any Work required to be performed hereunder in a timely and professional manner, or Contractor is not properly carrying out the provisions of the Contract in their true intent and meaning, then in such case, notice thereof in writing will be served upon the Contractor; and should the Contractor neglect or refuse to provide a means for a satisfactory compliance with this Contract and with the direction of the Housing Authority within the time specified in such notices, the Housing Authority shall have the power to suspend the performance of this Contract by Contractor in whole or in part.
 - B. Failure on the part of the Contractor to procure or maintain insurance required by this Contract shall constitute a material breach of contract upon which the Owner may immediately terminate this Contract.
 - C. Should the Contractor fail within five (5) days to perform in a satisfactory manner, in accordance with the provisions of this Contract, or if the Work to be done under said Contract is abandoned for more than three (3) days by the Contractor, then notice of deficiency thereof in writing will be served upon the Contractor. Should the Contractor fail to comply with the terms of said Contract within five (5) days, upon receipt of said written notice of deficiency, the Executive Director of the Housing Authority shall have the power to suspend or terminate the operations of the Contractor in whole or in part.

- D. In the event that a petition of bankruptcy shall be filed by or against the Contractor.
- E. If, through any cause, the Contractor shall fail to fulfill, in a timely and proper manner, the obligations under this Contract, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Contract, the Owner shall thereupon have the right to terminate this Contract by giving written notice to the Contractor of such termination and specifying the effective date thereof, at least five (5) days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Contractor under this Contract shall, at the option of the Owner become its property and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed.

7.6 Termination for Improper Consideration: The Owner may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any Community Development Commission of the County of Los Angeles (Commission) or Housing Authority officer, employee or agent with the intent of securing the Contract or securing favorable treatment with respect to the award, amendment or extension of the Contract or the making of any determinations with respect to the Contractor's performance pursuant to the Contract. In the event of such termination, the Housing Authority shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

The Contractor shall immediately report any attempt by the Commission officer or employee to solicit such improper consideration. The Report shall be made to the Commission's Executive Director or designee.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

- 7.7 Termination of Convenience: The Owner reserves the right to cancel this Contract for any reason at all upon thirty (30) days prior written notice to Contractor. In the event of such termination, Contractor shall be entitled to a prorated portion paid for all satisfactory work unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in such termination.
- 7.8 The Housing Authority's Quality Assurance Plan: The Housing Authority will evaluate Contractor's performance under this Contract on not less than a quarterly basis. Such evaluation will include assessing Contractor's compliance

with all Contract terms and performance standards. Contractor deficiencies which the Housing Authority determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Commissioners. The report will include improvement/corrective action measures taken by the Commission or Housing Authority and the Contractor. If improvement does not occur consistent with the corrective action measures, the Commission or Housing Authority may terminate this Contract or pursue other penalties as specified in this Contract.

- 7.9 Non-payment after expiration or termination: Contractor shall have no claim against the Owner for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should Contractor receive any such payment, it shall immediately notify the Owner and shall immediately repay all such funds to the Owner. Payment by the Owner for services rendered after expiration/termination of this Agreement shall not constitute a waiver of the Owner's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

ARTICLE 8

MISCELLANEOUS PROVISIONS

- 8.1 Contractor shall give all notices and comply with all laws, rules, regulations, ordinances and orders of any governmental entity relating to the Work. Should Contractor become aware that any provision of the Contract is at variance with any such rule, law, regulation, ordinance or order, he/she shall promptly give notice in writing to the Owner of such variance.
- 8.2 It is hereby declared to be the intention of the parties that the sections, paragraphs, sentences, clauses and phrases of this Contract are severable, and if any phrase, clause, sentence, paragraph or section of this Contract shall be declared unconstitutional, invalid or unenforceable by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality, invalidity or unenforceability shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Contract.
- 8.3 Anything mentioned in the Statement of Work and not shown on the Work Orders, or shown on the Work Orders and not mentioned in the Statement of Work, shall be of like effect as if shown or mentioned in both. In case of difference between Work Orders and Statement of Work, the following shall govern in this sequence: Contract (and any Addenda or Amendments thereto), General Conditions, Statement of Work, Work Orders. In case of discrepancy within the Work Orders themselves, or within the Statement of Work itself, the matter shall be promptly submitted to the Executive Director, who shall promptly make a determination in writing. Any adjustment by the Contractor without such

a determination by the Executive Director shall be at its own risk and expense. The Executive Director shall furnish from time to time such detailed drawings and other information as considered necessary.

ARTICLE 9

CONTRACTOR APPROVAL

9.1 Post L.A.'s Most Wanted Parents List

Contractor acknowledges that the Housing Authority places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is the Housing Authority's policy to encourage contractors to voluntarily post the County's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. District Attorney will supply Contractor with the poster to be used.

ARTICLE 10

ADDITIONAL PROVISIONS

- 10.1 This Contract and the obligations of the parties hereunder shall be interpreted construed and enforced in accordance with the laws of the State of California.
- 10.2 This Contract contains the entire agreement between the parties. No variations, modifications, or changes hereto shall be binding upon any party hereto unless set forth in a document duly executed by or on behalf of such party. All prior negotiations, representations and/or contracts between the parties relative to the subject matters hereof shall be superseded hereby and have no further force and effect.
- 10.3 No consent or waiver, expressed or implied, by either party to or of any breach or default by the other of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of such other party hereunder. Failure on the part of either party to complain of any such act of the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.
- 10.4 Contractor shall procure and maintain insurance at Contractor's expense for the duration of this Contract from an insurance company that is admitted to write insurance in California or that has a rating of or equivalent to A:VIII by A. M. Best & Company. Any deviation from this rule shall require specific approval by the Commission or Housing Authority:

A. GENERAL LIABILITY INSURANCE (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate	\$2,000,000
Products/Completed Operations	\$1,000,000
Aggregate	
Each Occurrence	\$1,000,000

This insurance shall include, or separate insurance shall be secured, with a minimum limit of one million dollars (\$1,000,000) to cover the defense of and liability for bodily injury, disease or illness including death, or property damage arising in whole or in part out of the removal, repair, handling, or disposal of asbestos and/or lead containing materials.

- B. WORKERS' COMPENSATION and EMPLOYER'S LIABILITY insurance providing workers' compensation benefits, as required by the Labor Code of the State of California. In all cases, the above insurance shall include Employer's Liability coverage with limits of not less than the following:

Each Accident	\$1,000,000
Disease-Policy Limit	\$1,000,000
Disease-Each Employee	\$1,000,000

- C. AUTOMOBILE LIABILITY INSURANCE (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than one million dollars (\$1,000,000) for each incident. Such insurance shall include coverage of all "owned", "hired", and "non-owned" vehicles, or coverage for "any auto."

The Commission of the County of Los Angeles (Commission) and the Housing Authority of the County of Los Angeles (Housing Authority), the County of Los Angeles (County), and their officers, employees, agents and representatives shall be named as additional insureds.

Each insurance policy shall be endorsed to state that coverage shall not be suspended, voided, or canceled by either party or reduced in coverage or limits, except after thirty (30) days' prior written notice to the Housing Authority, and shall be primary and not contributing to any other insurance or self-insurance maintained by the Housing Authority.

Any self-insurance program or self-insured retention must be separately approved in writing by the Housing Authority.

Contractor shall deliver to the Housing Authority certificates of insurance and original endorsements for approval as to sufficiency and form prior to the start of performance hereunder. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on

its behalf. Such insurance as required herein shall not be deemed to limit Contractor's liability under this Contract.

The Housing Authority reserves the right to require complete certified copies of all said policies at any time. Any modification or waiver of the insurance requirements herein shall only be made with the written approval of the Housing Authority's Risk Manager or designee.

Additional Insurance Requirements

Notification of Incidents, Claims, or Suits - The Contractor shall report to the Project Manager:

Any accident or incident relating to work performed under the Contract which involves injury or property damage which may result in the filing of a claim or lawsuit against the Contractor and/or the Housing Authority. Such report shall be made in writing within 24 hours of occurrence.

Any third-party claim or lawsuit filed against the Contractor arising from or related to work performed by the Contractor under this Contract.

Any injury to a Contractor's employee which occurs on Housing Authority properties. This report shall be submitted on a Housing Authority "Non-employee Injury Report."

Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of Commission or Housing Authority properties, monies, or securities entrusted to the Contractor under the terms of this Contract.

Compensation for Commission or Housing Authority Costs

In the event that the Contractor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to the Commission or the Housing Authority, the Contractor shall pay full compensation for all costs incurred by the Commission or Housing Authority.

Insurance Coverage Requirements for Subcontractors

Property Coverage insurance shall be endorsed naming the Commission or Housing Authority as loss payee, provide deductibles of no greater than five percent of the property value, and shall include: Personal Property: Automobiles and Mobile Equipment - Special form "all risk" coverage for the actual cash value of Commission or Housing Authority-owned or leased property. Real Property and All Other Personal Property - Special form "all risk" coverage for the full replacement value of Commission or Housing Authority-owned or leased property.

10.5 Compliance With Laws

The Contractor agrees to be bound by applicable federal, state and local laws, regulations, and directives as they pertain to the performance of this Contract. This Contract is subject to and incorporates the terms of the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzalez National Affordable Housing Act, 1990, and the 24 CFR Part 85. If the compensation under this Contract is in excess of \$100,000 then Contractor shall comply with applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 18579(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR part 15).

The Contractor must obtain and present all relevant state and local insurance, training and licensing pursuant to services required within this Contract.

Contractor shall comply with the following laws:

Civil Rights Act of 1964, Title VI (Non-discrimination in Federally Assisted Programs)

Title VI provides that no person shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Section 109 of the Housing and Community Development Act of 1974

No person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973

No person in the United States shall be excluded from participating in, be denied the benefits of, or be subjected to discrimination under this Contract on the basis of age or with respect to an otherwise qualified disabled individual.

Executive Order 11246 and 11375, Equal Opportunity in Employment (Nondiscrimination in Employment by Government Contractors, Subcontractors, and Contractors)

During the performance of this Contract, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or

termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice to be provided by the Commission's contracting officer, advising the labor union or workers' representatives of the Contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulation and relevant orders of the Secretary of Labor.

The Contractor will furnish all information and reports required by the Executive Order No. 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, will permit access to his/her books, records, and accounts by the Commission and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Order and such other sanctions may be imposed and remedies invoked as provided in the Executive Order or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

The Contractor will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such actions with respect to any subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance; provided however, that in the event the Contractor becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

10.6 Section 3 of the Housing and Community Development Act of 1968, As Amended

The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this Agreement agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining Agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR Part 135.

Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.

With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this Agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this Agreement that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Prospective Contractors should carefully read the information included in Appendix E, Section 3 Provisions.

10.8. Access and Retention of Records

The Contractor shall provide access to the Housing Authority, the Federal grantor agency, the Comptroller General of the United States, and the State of California or any of their duly authorized representatives to any books, documents, papers and records of the Contractor which are directly pertinent to the specific Contract for the purpose of making audits, examinations, excerpts and transcriptions. The Contractor is required to retain the aforementioned records for a period of five (5) years after the Commission pays final payment and other pending matters are closed.

10.9. Conflict of Interest

The Contractor represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the term of this Contract, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venturer or shareholder (other than as a shareholder holding a one percent (1%) or less interest in publicly traded companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement with the Housing Authority. Upon execution of this Contract and during its term, as appropriate, the Contractor shall disclose in writing to the Housing Authority, any other contract or employment during the term of this Contract by any other persons, business or corporation in which employment will or may likely develop a conflict of interest between the Housing Authority's interest and the interests of the third parties.

10.10 Indemnification

The Contractor agrees to indemnify, defend and save harmless the Commission, Housing Authority, County, and their agents, officers and employees from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever including, but not limited to bodily injury, death, personal injury or property damage arising from or connected with the Contractor's services, including any Workers' Compensation suits, liability, or

expenses arising or connected with the Work or service rendered pursuant to this Contract.

10.11 Subcontracting

The Contractor may subcontract only those specific portions of the work allowed in the original General Conditions, Statement of Work and Addenda thereto, site-specific Work Orders, and the specifications covered by this Contract with prior written approval by the Housing Authority.

10.12 Assignment

This Contract or any provision thereof or any right or obligation arising hereunder is not assignable in whole or in part, without the expressed written consent of the Housing Authority. However, the Housing Authority reserves the right to assign this Contract to another public agency without the consent of the Contractor.

10.13 Confidentiality of Reports

The Contractor shall keep confidential all reports, information and data received, prepared or assembled pursuant to performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the Housing Authority.

10.14 Severability

In the event that any provision herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Contract and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

10.15 Safety Standards and Accident Prevention

The Contractor shall comply with all applicable Federal, state and local laws governing safety, health and sanitation. The Contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions, on his/her own responsibility, reasonably necessary to protect the life and health of employees on the job and the public and to protect property in connection with the performance of this Contract.

10.16 Drug Free Workplace Act of the State of California

The Contractor certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990.

10.17 Copyright

No report, maps, or other documents produced in whole or in part under this Contract shall be the subject of an application for copyright by or on behalf of the

Contractor. All documents become the property of the Housing Authority and the Housing Authority holds all the rights to said data.

10.18 Independent Contractor

The Contractor shall perform the services as contained herein as an independent contractor and shall not be considered an employee of the Housing Authority, or under Housing Authority supervision or control. This Contract is by and between the Contractor and the Housing Authority, and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, between the Housing Authority and the Contractor.

10.19 Waiver

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any breach of the same or any other provision hereof.

10.20 Notices

The Housing Authority shall provide Contractor with notice of any injury or damage arising from or connected with services rendered pursuant to this Contract to the extent that the Housing Authority has actual knowledge of such injury or damage. The Housing Authority shall provide such notice within ten (10) days of receiving actual knowledge of such injury or damage.

Notices provided for in this Contract shall be in writing and shall be addressed to the representative of each Party.

The Housing Authority: Housing Authority of the County of Los Angeles
 2 Coral Circle
 Monterey Park, California 91755
 Attn: Maria Badrakhn, Director
 Housing Management Division

The Contractor: AZ Home, Inc.
 14416 Friar Street #A
 Van Nuys, CA 91401
 Attn: Thomas S. Azaian, President & C.E.O.

Notices shall be deemed delivered on the third day after posting by U.S. Mail or when delivered in person with written acknowledgement of the receipt thereof. Housing Authority and Contractor may designate a different address or addresses for notices to be sent by giving written notice of such change of address to all other parties entitled to receive notice.

10.21 Interpretation

No provision of this Contract is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Contract is to be construed as if it were drafted by both parties hereto.

10.22 Employees of Contractor

Workers' Compensation: Contractor understands and agrees that all persons furnishing services to the Housing Authority pursuant to this Contract are, for the purposes of workers' compensation liability, employees solely of Contractor. Contractor shall bear sole responsibility and liability for providing Workers' Compensation benefits to any person for injury arising from an accident connected with services provided to the Housing Authority under this Contract.

Professional Conduct: The Housing Authority does not and will not condone any act, gestures, comments or conduct from the Contractor's employees, agents or subcontractors which may be construed as sexual harassment or any other type of activity or behavior that might be construed as harassment. The Housing Authority will properly investigate all charges of harassment by residents, employees, agents or subcontractors and is responsible for taking appropriate action after reports of harassment are received by the Contractor.

10.23 Patent Rights

The Housing Authority will hold all the patent rights with respect to any discovery or invention which arises or is developed in the course of, or under, this Contract.

10.24 Notice to Employees Regarding the Federal Earned Income Credit

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

10.25 Use of Recycled-Content Paper Products

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on the project.

10.26 Contractor Responsibility and Debarment

- A. A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the policy of the Housing Authority to conduct business only with responsible contractors.
- B. The Contractor is hereby notified that if the Housing Authority acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the

Housing Authority may, in addition to other remedies provided in the contract, debar the Contractor from bidding on Housing Authority contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts the Contractor may have with the Housing Authority.

- C. The Housing Authority *may* debar a contractor if the Board of Commissioners finds, in its discretion, that the Contractor has done any of the following: (i) violated any term of a contract with the Commission or Housing Authority, (ii) committed any act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the Commission or Housing Authority or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (iii) committed an act or offense which indicates a lack of business integrity or business honesty, or (iv) made or submitted a false claim against the Commission or Housing Authority or any other public entity.
- D. If there is evidence that the Contractor may be subject to debarment, the Housing Authority will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. If the Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the Contractor may be deemed to have waived all rights of appeal.
- F. A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- G. These terms shall also apply to subcontractors of Housing Authority contractors.

10.27 Compliance With Jury Service Program

- 1. Unless Contractor has demonstrated to the Housing Authority's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program or that Contractor qualifies for an exception to

the Jury Service Program, Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

2. For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the Housing Authority or a subcontract with a Housing Authority Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more Housing Authority contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the Housing Authority, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the Housing Authority under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.
3. If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify the Housing Authority if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The Housing Authority may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the Housing Authority's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.
4. Contractor's violation of this Section of the Contract may constitute a material breach of the Contract. In the event of such material breach, the Housing Authority may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future Housing Authority contracts for a period of time consistent with the seriousness of the breach.

10.28 Notice to Employees regarding The Safely Surrendered Baby Law

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is available on the

10.29 Contractor's Warranty of Adherence to Housing Authority's Child Support Compliance Program

Contractor acknowledges that the Housing Authority has established a goal of ensuring that all individuals who benefit financially from the Housing Authority through a contract, are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the taxpayers of the County of Los Angeles.

As required by Housing Authority Child Support Compliance Program and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall, during the term of this Agreement, maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or CSSD Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

Termination For Breach of Warranty to Comply with Housing Authority's Child Support Compliance Program

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 10.29, "CONTRACTOR'S WARRANTY OF ADHERENCE TO HOUSING AUTHORITY'S CHILD SUPPORT COMPLIANCE PROGRAM" shall constitute default under this contract. Without limiting the rights and remedies available to Housing Authority under any other provision of this contract, failure of Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which Commission or Housing Authority may terminate this contract pursuant to Paragraph 7.5 – "TERMINATION FOR CAUSE" and pursue debarment of Contractor, pursuant to Housing Authority Policy.

10.30 Warrant of Authority

The undersigned for the Contractor warrants and represents that he has full authority to sign this Contract on behalf of the Contractor, and to bind the Contractor.

10.31 Entire Contract

This Contract constitutes the entire understanding and agreement of the parties.

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SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the date and year first written above.

HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

AZ HOME, INC.
License Number: 647564

By _____
Carlos Jackson
Executive Director

By _____
Thomas S. Azaian
President & C.E.O.

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

APPROVED AS TO PROGRAM:

MARIA BADRAKHAN
Housing Management Division

By _____
Deputy

By _____
Director

END CONTRACT